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November 27, 2001

VIA Certified mail first class & e-Mail

Trade Policy Staff Committee
Gloria Blue
Executive Secretary, TPSC
Office of the USTR
600 17th Street, N.W.
Washington, D.C. 20508

Re: **Steel, Section 203 Action – Response to request for exclusion of
stainless steel wire SF20T & DSR16FA containing lead**

Dear Ms. Blue and Members of the TPSC:

Daido Stainless Steel Co., Ltd., a producer of stainless steel wire in Japan and its importer, Daido Steel (America) Inc. (collectively “Daido”), file this submission to provide the response of the domestic industry to Daido’s request filed November 13 that the President exclude from any remedy imposed on stainless steel wire in the above referenced proceeding two unique stainless steel wire products that contain lead: SF20T and DSR16FA.

In response to a similar exclusion request filed with the U.S. International Trade Commission, Carpenter Technology Corporation stated in its ITC post-hearing remedy brief filed November 15 (public version November 16), that it does not oppose the request to exclude SF20T and DSR16FA from any remedy in this proceeding. Specifically, Carpenter states the following in its ITC post-hearing remedy brief:

The domestic industry does not oppose the exclusion request filed on behalf of Daido Stainless Steel Co. Ltd. with respect to certain leaded stainless steel wire products. Specifically, Daido has requested that the Commission exclude from the scope of any remedy recommended to the President stainless steel wire products identified as SF20T and DSR16FA. Because those products are not produced in the United States and there is no prospect that those products will be produced in the United States in the foreseeable future, the domestic industry does not oppose Daido's request that the Commission exclude those products from the scope of any import relief program recommended to the President.

ITC Post-Hearing Remedy Brief of Carpenter Technology Corporation in *Steel*, Inv. No. TA-201-73 at 77 n.29 (filed November 15, 2001 – public version November 16, 2001)

This statement is consistent with comments provided by counsel at Collier Shannon & Scott for Carpenter Technology Corporation on November 14 in which counsel indicated that Carpenter agrees to the exclusion of SF20T and DSR16FA from any remedy imposed on stainless steel wire products. Counsel at Holland & Knight informed us that its client the American Wire Producers Association (“AWPA”) has not yet been able to finalize polling its members in its solicitation of comments on the various exclusion requests on stainless steel wire.

In light of Carpenter's consent to the exclusion, we renew our request for the President to exclude from any remedy it imposes for stainless steel wire the two proprietary products that contain lead, SF20T and DSR16FA, as described in Daido's exclusion request submission dated November 13, 2001. As noted in that submission, both SF20T and DSR16FA are classified

under HTS heading **7223.00.1060** and have the following chemical compositions:

SF20T:

Carbon – 0.05 max
Manganese – 2.00 max
Phosphorous -- 0.05 max
Sulfur – 0.15 max
Silicon – 1.00 max
Chromium – 19.00/21.00
Molybdenum – 1.50/2.50
Lead – added (0.10/0.30)
Tellurium – added (0.03 min)

DSR16FA:

Carbon – 0.15 max
Manganese – 1.25 max
Phosphorous – 0.06 max
Sulfur – 0.10/0.18
Silicon – 1.00 max
Chromium – 10.50/14.00
Molybdenum – 0.10/0.40
Lead – added (0.07/0.30)
Selenium – added (010 min)

For the reasons discussed above and in Daido's November 13 request for exclusion on SF20T and DSR16FA, if the President adopts the determination of the Commissioners voting affirmative on stainless steel wire as the determination of the 3/3 divided Commission, Daido respectfully requests that the President exclude SF20T and DSR16FA stainless steel wire from any remedy imposed on stainless steel wire products.

Respectfully submitted,

Lyle Vander Schaaf
Joseph Heckendorn

Counsel to Daido Stainless Steel Co. Ltd. and Daido
Steel (America) Inc.